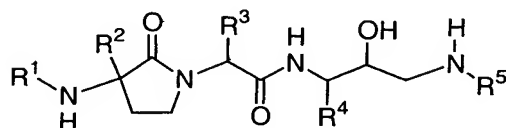


ABSTRACT

There is provided a series of novel substituted
gamma-lactams of Formula (I)

5



(I)

wherein R¹, R², R³, R⁴ and R⁵ are defined herein, their
10 pharmaceutical compositions and methods of use. These
novel compounds inhibit the processing of amyloid
precursor protein (APP) by β -secretase and, more
specifically, inhibit the production of A β -peptide.
The present invention is directed to compounds useful
15 in the treatment of neurological disorders related to
 β -amyloid production, such as Alzheimer's disease and
other conditions affected by anti-amyloid activity.